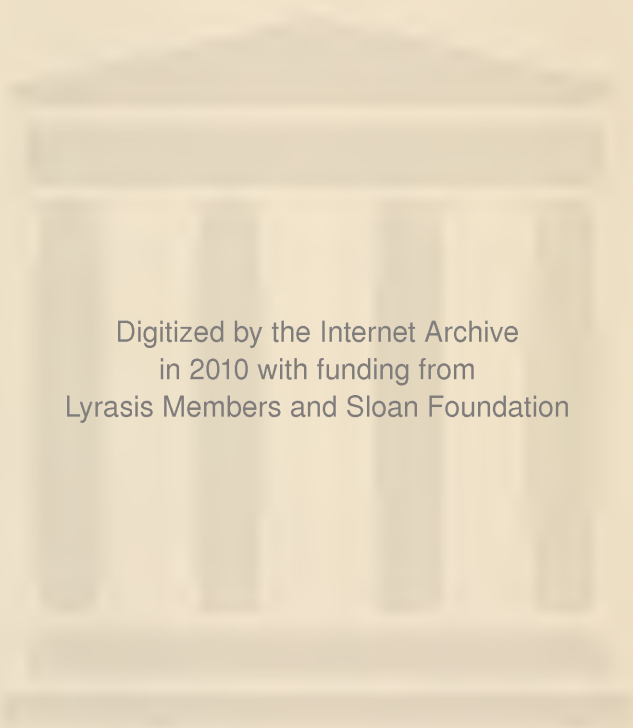
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BY THE HOUSE OF DELEGATES,
March 3d, 1860.

Read and ordered to be printed.

MINORITY REPORT

OF

THE SELECT COMMITTEE

OF

THE HOUSE OF DELEGATES,

APPOINTED

TO INQUIRE INTO CERTAIN CHARGES MADE BY JAS. E. TYSON AGAINST THE BALT. AND OHIO RAILROAD CO.

REPORT.

The Minority of the Committee, appointed by the House of Delegates, to inquire into certain charges made by James E. Tyson against the Baltimore & Ohio Railroad company, respectfully report:

That the complaint of the said James E. Tyson against the said Baltimore & Ohio Railroad company, was fully discussed before the Committee.

That the said Tyson offered in proof of his allegation, certain bills of the said company, which showed that lower proportionate rates of charge had been made on through freight from the West, and from Wheeling to Baltimore, than were paid by persons living within the State of Maryland, and on the line of the Baltimore & Ohio Railroad company.

That the said Tyson further sought to prove that the rates of charge on the Baltimore & Ohio Railroad were lower, where the goods were to be carried from points beyond Baltimore to points beyond Baltimore, than where the terminus was Baltimore.

These were the two classes of allegation made by the said Tyson.

The Baltimore & Ohio Railroad company in answer to the first of these two classes of allegations, offered to prove that the toll-sheet on which these differences in charges were based, was constructed upon a theory of higher charges for short hauls, and the correctness of their theory was demonstrated by argument before the committee. To demonstrate that this rule was followed by the railroads of this country, the President of the Baltimore & Ohio Railroad company offered to put in evidence, and produced for that purpose, the toll-sheets of the leading railroads.

No description of evidence could have been adduced more calculated in the judgment of the undersigned, to throw light on the question of the proper adjustment of the tariff of charges of the Baltimore & Ohio Railroad company ; but the committee decided that this matter did not come within the scope of the reference made by the House of Delegates.

The undersigned, therefore, is obliged to report to this House, that, when the committee declined to consider the rates and ratio of charges, made upon other roads in the country, in reference to local charges, they practically left themselves without any means of arriving at a conclusion as to the correctness of the rates charged by the Baltimore & Ohio Railroad company.

But the undersigned is at liberty to say, with regard to the said objection first named, that it was, even by the limited proof, which was admitted completely disproved ; because the only apparent discrimination against local freight shown to have existed, was during a time when the road was contending, not for its own interest, but for the trade of Baltimore.

This is conceded in the report of the majority of the committee.

With regard to the second of the said allegations, made by the said Tyson, the undersigned calls your attention to one paragraph in the report of the majority.

The report says—"whilst your committee is of opinion, from the evidence before it, that the Baltimore & Ohio Railroad should be left entirely untrammeled as regards competition for the Western trade, they feel free to express their regret that circumstances should ever have arisen, where goods carried over the whole line of the road, destined for eastern cities, should have been charged lower rates of freight, than those of the same description destined for Baltimore.

Now the undersigned respectfully asks how the Baltimore and Ohio Railroad can be considered as being left "untrammeled as regards competition for the western trade,"—if they are to be censured *for making that arrangement of their tariff-sheet, which alone makes that competition possible?*

Does not the House of Delegates perceive the injustice of a criticism, which concedes the duty of competition, and yet prohibits the only means of making it effectual?

But the second allegation made by the said Tyson, is effectually disposed of also, by the committee itself. The majority concedes that the charges on through freight, made on the Baltimore and Ohio Railroad, are in favor of Baltimore, as compared with those to and from eastern cities, and the evidence of many most respectable citizens, largely engaged in selling goods to the West, went to prove that in their opin-

ion "the present policy of the said road tended largely to the increase of their business transactions."

The undersigned adds to this concession of the majority (which itself disposes of the whole case made by them,) the further statement that the evidence there referred to, was given by men, whose intelligence, means of knowledge, and position in the mercantile world, gave to their judgment irresistable force.

Now the undersigned asks how the committee could conclude that the Baltimore and Ohio Railroad discriminated against the city of Baltimore, or the State of Maryland, when the effect of their policy has been a great development of trade in the city of Baltimore, and in the State of Maryland?

The undersigned can but add to this long review of the case presented by the complaint of the said Tyson, the following observations:

The true object for which the Baltimore and Ohio Railroad was built, was that it might be at once a source of profit as a work, and a means of commerce, as an avenue of trade. It fails in its object if it ceases to be both of these. The road cannot be worked unless it is remunerative, it cannot be remunerative unless its rates are so reasonable as to attract trade.

No legislation is necessary to teach an internal improvement company the lesson as to the law of rates, which is effectively taught without legislation. And although the law of the land makes it necessary that a corporation should receive the right to charge tolls by direct enactment from the Legislature,—and although it is proper, where it receives such a power, that a maximum should be established by law—it is indisputable that such maximum ought to be that which is possessed by the majority of the great leading works of the country. For, if the rate required on one road is *lower* than that allowed to all others, the proscribed road is denied that remuneration upon the capital invested in it, which the activity and profit of trade might well allow, and which capital invested in other roads might enjoy.

The undersigned in conclusion, as the fitest and most thorough answer to the report of the majority, refers the House to the printed testimony taken before the committee.

JAMES U. DENNIS.

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